

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BULLITT UTILITIES,)	
INC., D/B/A BULLITT HILLS SEWER SYSTEM,)	
FOR A RATE ADJUSTMENT PURSUANT TO THE)	CASE NO.
ALTERNATIVE RATE FILING PROCEDURE FOR)	89-274
SMALL UTILITIES)	

O R D E R

On September 26, 1989, Bullitt Utilities, Inc., d/b/a Bullitt Hills Sewer System ("Bullitt Hills") filed an application with the Commission seeking to increase its rates for sewer service pursuant to the Alternative Rate Filing Procedure for Small Utilities. The proposed rates were designed to generate approximately \$16,423 annually in additional revenues, an increase of 62.8 percent over normalized test-year operating revenues from rates of \$26,145.

On October 9, 1989, Bullitt Hills was notified by the Commission that, pursuant to 807 KAR 5:076, Section 4, Bullitt Hills' notice to its customers was deficient and its application did not meet the minimum filing requirements set by the Commission. Bullitt Hills cured this deficiency by renotifying its customers and met minimum filing requirements on October 25, 1989.

After several unsuccessful attempts by Commission Staff to schedule a field review of Bullitt Hills' test-period financial

records, the review was eventually conducted in January of 1990. Based upon this review, Commission Staff issued its report on March 1, 1990, recommending that Bullitt Hills be authorized to increase its annual revenues by \$8,121.

At Bullitt Hills' request, an informal conference was held at the Commission on March 30, 1990. Bullitt Hills subsequently filed its response to the Staff Report and submitted additional information requested by Commission Staff at the informal conference. Based on this additional information, Staff issued an Amended Staff Report on May 21, 1990, recommending a revised revenue increase of \$14,569. By letter received at the Commission on May 29, 1990, Bullitt Hills notified the Commission that it accepted the findings of the original Staff Report of March 1, 1990 as amended on May 21, 1990.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds:

1. The recommendations and findings contained in the Staff Report of March 1, 1990, as amended on May 21, 1990, are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates in Appendix A, attached hereto and incorporated herein, are the fair, just, and reasonable rates for service provided by Bullitt Hills and will produce annual revenues of \$40,714. These rates will allow Bullitt Hills sufficient

revenues to meet its operating expenses, service its debt, and provide for future equity growth.

3. The rates proposed by Bullitt Hills will produce revenue increases which are unreasonable and thus inconsistent with KRS 278.030.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Bullitt Hills in its application are hereby denied.

2. The rates contained in Appendix A are approved for service rendered by Bullitt Hills on and after the date of this Order.

3. Within 30 days of the date of this Order, Bullitt Hills shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 28th day of June, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 89-274 DATED 6/28/90

The following rates are prescribed for customers of Bullitt Utilities, Inc., d/b/a Bullitt Hills Sewer System. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

<u>Customer Class</u>	<u>Rate</u>
Single Family Residential	\$19.40
Commercial	\$19.40 Per Residential Equivalent*

- * The number of residential equivalents and/or fractional parts thereof shall be determined by dividing the customers' average monthly water consumption in gallons by 12,000 gallons. The minimum bill for this type of service shall be \$19.40.